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## WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

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| <b>2003 Assembly Bill 283</b>           | <b>Assembly Amendments 1, 2,<br/>and 3, and Senate<br/>Amendment 1</b> |
| <i>Memo published:</i> January 26, 2004 | <i>Contact:</i> David L. Lovell, Senior Analyst (266-1537)             |

**2003 Assembly Bill 283** (AB 283) creates a dairy investment credit. The credit is an income tax and franchise tax credit for expenses related to dairy farm modernization and expansion, defined as the construction, improvement, or acquisition of buildings or facilities, or the acquisition of various specified types of equipment, if related to dairy animals.

**Assembly Amendment 1** (AA 1) limits the definition of “dairy farm modernization or expansion” to expenditures exclusively for dairy animals. It replaces the phrase “if related to dairy animals” with the phrase “if used exclusively related to dairy animals.”

AA 1 also specifies that the dairy investment credit may be claimed by persons who pay the alternate minimum income tax [s. 71.08, Stats.], as well as by those who pay the standard income tax [s. 71.02, Stats.].

Finally, AA 1 provides that the credit may be claimed against taxes owed for taxable years that begin after December 31, 2003, and before January 1, 2010. Under the bill, the credit may be claimed against taxes owed for taxable years that begin after December 31, 2003, and **end** before January 1, 2010; the amendment deletes the word “end.” The result is that the credit will be available for the same number of years to taxpayers who file on a fiscal year basis as to those who file on a calendar year basis.

**Assembly Amendment 2** (AA 2) replaces the word “and” with the word “or” in the definition of “dairy farm modernization or expansion,” with the result that an investment in any one of the listed types of equipment may be claimed as a dairy investment credit. As worded in the bill, it would appear that investments would have to include all of the listed types of equipment in order to qualify for the credit.

**Assembly Amendment 3** (AA 3) specifies that, for purposes of the dairy investment credit, “dairy animals” includes heifers raised as replacement dairy animals. It also includes the language in AA 2.

*Senate Amendment 1* (SA 1) specifies that, for purposes of the dairy investment credit, “dairy farm” includes a facility used to raise heifers as replacement dairy animals.

**Legislative History**

On November 12, 2003, the Assembly adopted AA 1, 2, and 3 on voice votes and passed AB 283, as amended, on a vote of Ayes 96, Noes 0.

On December 2, 2003, the Senate Committee on Agriculture, Financial Institutions and Insurance, by a vote of Ayes 5, Noes 0, introduced SA 1 and recommended adoption of SA 1 and passage of AB 283, as amended.

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